

CADDO COUNCIL ON AGING, INC.

SHREVEPORT, LOUISIANA

JUNE 30, 2014

CADDO COUNCIL ON AGING, INC.

SHREVEPORT, LOUISIANA

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CADDO COUNCIL ON AGING, INC.

SHREVEPORT, LOUISIANA

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of Caddo Council On Aging, Inc. financial performance provides an overview of the Council's financial activities for the year ending June 30, 2014. This discussion should be read in conjunction with the Audited Financial Statements, which begin on page 1.

Financial Highlights

- The Council had a net increase in overall net position of \$130,006 this year.
- Net Capital Assets of the Council decreased by \$15,393.
- No deficit fund balance exists at year-end.
- The unassigned fund balance for the Council's General Fund was \$640,585 at year-end.
- The council has no long term debt.

How to Use This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and The Statement of Activities (on pages 4 and 5) provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. The Balance Sheet – Governmental Funds and Statement of Revenues, Expenditures and Changes in Fund Balance (on pages 6-8) provide information on how services were financed in the short-term as well as what remains for future spending. Budgetary Comparison Schedules for the Council's major funds are on pages 24-29. These schedules compare Original Budget, Final Budget to Actual amounts for the year. The Schedule of Revenues, Expenditures, and Changes in Fund Balance for non-major funds is on page 30. This schedule reports in more detail the expenses of the non-major funds.

Our auditor has provided assurance in his independent auditor's report, located after the Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. The auditor is providing varying degrees of assurance about Supplementary Financial Information Required by GASB Statement 34 and Supplementary Financial Information Required by Governor's Office of Elderly Affairs and OMB Circular A-133 that follow later in this reporting package. A user of this report should read the independent auditor's report carefully to determine the level of assurance being provided for each part of the financial section of the report.

A. The Council as a Whole Using Government-Wide Statements

Our Analysis of the Council's finances as a whole begins on page v. An important question to ask about the Council's finances is, "What was the impact as a result of the year's activities?" The Statement of Net Position and Statement of Activities (referred to collectively as the Government-Wide Financial Statements) report information about the Council as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting method used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Government-Wide statements report the Council's net position and changes in it. Some of the net position amounts are restricted which means they can only be used for a specific purpose. The Statement of Net Position is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net position is one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council,

you will need to consider other non-financial factors, such as the condition of the Council's capital assets, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Activities provides information that shows how the Council's net position changed as a result of this year's activities. All of the Council's significant activities are reported in the Statement of Activities. These activities include, but are not limited to, an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include supportive social services, nutritional services, and disease prevention and health promotion. All activities of the Council are considered to be governmental activities. A governmental activity is one where the Council uses money it receives from government grants and contracts, along with donations from the general public, to pay for the services the agency provides to the elderly. The people benefiting from the services are not required to pay for the services received. If the Council charged fees to cover all or most the cost of providing a service, that activity would be classified as a business-type activity. The Council does not have any business-type activities.

B. Reporting the Council's Special Funds Using Fund Financial Statements

The General Fund is used to account for all financial resources that are not restricted to specific funds. The Council's special funds are either major funds or non-major funds. Major funds are those funds whose revenues, expenses, assets or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but which is important to present for the Council's financial statement users. The Fund Financial Statements for the Council's major funds are on pages 24 to 29. These reports compare the original and final appropriated budgets to actual budget results for the Council's fiscal year. The Council's major funds are the General Fund, Title IIIC-2 Home Delivered Meals, Title IIIB Supportive Services, Veterans Home and Community Base Services, Foster Grandparent and Designated(Restricted Contributions). The Fund Financial Statement for the Council's non-major funds is on page 30.

The special revenue funds account for specific revenue sources that are legally restricted to expenditures for specified purposes, other than debt service or capital projects. By using separate funds to track revenues and expenditures, management can control and manage funds for particular purposes or show that the fund is meeting legal requirements for using certain grants and other revenues.

The General Fund and Special Revenue Funds are considered governmental funds. Governmental funds focus on how money flows into and out of funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic service it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Council's programs. The difference between the net position of governmental activities and fund balances of the governmental funds is presented in reconciliation at the bottom of the Balance Sheet for Governmental Funds, which is on page 6. In addition, the difference between the change in net assets for the governmental funds and the change in net position for the governmental activities has been presented in reconciliation on page 8.

C. Notes to the Financial Statements

The notes provide additional information that is essential to understanding the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 9. The notes to the financial statements should be read before making assumptions or conclusions about the Council's financial condition.

D. Supplementary information required by GASB statement 34

In addition to the basic financial statements, this report also presents certain required supplementary information (RSI) that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (see pages 24 to 29).

Management's Discussion and Analysis (MD&A) is also required supplementary information by GASB Statement 34. However, GASB Statement 34 requires the MD&A be presented as the first item in this reporting package (after the independent auditor's opinion) and not with the other RSI, which is included later in this reporting package.

E. Supplementary information required by Governor's Office of Elderly Affairs

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present combining statements that provide details about non-major governmental funds and details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (See pages 30 and 31).

F. Supplementary information required by OMB Circular A-133

OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations requires a Schedule of Expenditures of Federal Awards to be included as supplemental information. This schedule presents information about the Council's federally funded programs in a manner that facilitates financial and compliance analysis by the agencies that have granted federal money to the Council (See pages 32 and 33).

G. Analysis of the Council as a Whole Using Government-Wide Financial Statements

Table 1: *Condensed information on the Council's net position*

	FY-2013	FY-2014
Assets:		
Current and other assets	2,174,474	2,322,930
Capital Assets, net of accumulated depreciation	21,592	6,199
Total Assets	<u>2,196,066</u>	<u>2,329,129</u>
Liabilities:		
Other Liabilities	224,641	229,222
Vacation Liability	37,976	36,451
Total Liabilities	<u>262,617</u>	<u>265,673</u>
Net Position:		
Restricted	1,299,719	1,416,672
Unrestricted	612,139	640,585
Investment in Capital Assets	21,592	6,199
Total Net Position	<u>1,933,450</u>	<u>2,063,456</u>

As of June 30, 2014, the Council "as a whole" had assets greater than its liabilities by \$2,063,456. The Council's total net position increased from \$1,933,450 to \$2,063,456. This equates to an increase of 6.72%.

The Council's unrestricted net position increased \$28,454. It is important for the Council to have unrestricted net assets so that resources are available to adapt to changes in the economy, emergencies, unexpected needs, and reductions in grant revenues by government agencies.

The Council's restricted net assets increased by \$116,953. Net assets are reported as restricted when the constraints placed upon the asset's use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law though constitutional provisions or enabling legislation.

The liability for compensated absences decreased from \$37,976 to \$36,451. This liability represents what the Council would owe to its employees as of year-end for unused vacation leave. This amount varies from year to year because it is dependent on the vacation patterns of the employees, the number of employees, and the hourly rate of pay. This liability could adversely affect the Council's financial

position if it were to lay off a significant portion of its workforce. This event would trigger the immediate payment of unused vacation to terminated employees, resulting in the Council having to use unrestricted net assets to make the payment.

Other liabilities increased by \$4,581. Other liabilities are costs for this year that were not paid at June 30th. The Council does not have long-term liabilities.

Table 2: *Condensed information on the Increase/Decrease in Net Position*

	FY-2013	FY-2014
Revenues:		
Program Revenues		
Operating Grants and Contributions	3,057,278	3,075,353
General Revenues		
Unrestricted Grants and contributions	364,930	372,743
Total Revenues	<u>3,422,208</u>	<u>3,448,096</u>
 <u>Governmental Activities</u>		
Health, Welfare & Social Services:		
Supportive Services:	295,175	299,030
Nutrition Services	1,264,178	1,314,585
Utility Assistance	-	967
Disease Prevention and Health Promotion	9,891	9,401
National Family Caregiver Support:	80,117	81,352
Louisiana SenioRx	115,268	118,383
MIPPA	-	13,887
Ombudsman	116,342	124,512
Foster Grandparent Program	341,342	306,331
Audit	13,700	16,300
Restricted Gifts	52,556	84,437
Veterans Home & Community Based Services	430,460	407,156
Support Coordination	8,104	162,429
Other Local	621	107
Administration	423,209	379,213
Total Governmental activities	<u>3,150,963</u>	<u>3,318,090</u>
Excess(Deficiency) of Revenues over Expenses	<u>271,245</u>	<u>130,006</u>

H. An Analysis of Governmental Activities

Most of the Council's activities are funded by federal, state, and local grants. These grants represent 84% and 85% of the revenues of the Council for 2013 and 2014 respectively. Most of these grants are restricted which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year to year.

The Council also receives donations from its clients, the general public, community grants and fund raising activities. These revenues help to lessen the financial burden of the Council and help it to maintain services. Public support revenues represented 16% and 15% of the total revenues for 2013 and 2014.

The Council has invested idle funds and is able to earn interest on this money each year. The investment earnings are used or accumulated as necessary to meet expenses each year.

When reviewing the Government-Wide Statement of Activities, there are relationships that are important to the understanding of the Council's operations. As you can see in Table 3, the Council's largest activities are related to nutrition services. The Council's main focus is to meet the nutritional needs of the elderly citizens of Caddo Parish. There is a high demand for this service; therefore, resources are channeled to meet this demand.

You will also note that most of the governmental activities have more expenses than revenues. The Council's budgets were prepared with this in mind. Traditionally, general revenues are used to cover the excess of expenses over revenues in these activities.

Comparing the amount of administrative costs as well as calculating the percentage administrative expenses bear in relation to total expenses is another indicator of how funds are used efficiently. Total administration expense for 2013 and 2014 was \$423,209 and \$379,213, which equates to 13% and 11%.

Table 3: *Services provided and measurable unit for FY-2013 & FY-2014*

	Measurable Unit	FY-2013	FY-2014
Congregate Meals	Meal	29,558	30,508
Foster Grandparent	Hours	79,876	73,153
Home Delivered Meals	Meal	269,018	276,886
Homemaker	Hour	3,635	4,248
Information & Assistance	Contact	1,865	2,397
Legal	Hour	211	211
NFCSP In-Home Respite	Hour	3,912	3,618
NFCSP I & A	Contact	60	118
Nutrition Education	Session	125	140
Ombudsman	Hours	637	682
Outreach	Contact	48	92
Personal Care	Hour	1,000	977
Senior Rx	Prescriptions	2,679	2,565
Transportation	One Way Trip	6,476	4887
Wellness	Contact	271	407

I. An Analysis of the Council's Funds Using Governmental Fund Financial Statements

Fund Balances

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unassigned fund balance may service as useful measure of a government's net resources available for spending at the end of the fiscal year. The Council showed a combined governmental fund balance of \$2,093,708 at the end of this year, which is an increase of \$143,883 from last year. However, when you look at the funds individually you will see that the Council's Special Revenue Funds had a combined fund balance increase of \$190,467 while the General Fund decreased by \$46,584 this year.

The Council's General Fund revenues are comprised of Parish Council on Aging (Legislative) Funds, Caddo Parish Commission, General Donations from the public, Nutrition Service Incentive Program, interest income earned on unrestricted funds, Senior Center funds, and Supplemental Senior Center funds. In FY-2014 these funds supplemented the expenses of the following programs: Supportive Services, Home Delivered Meals, Preventive Health and Ombudsman, Caregiver, Area Aging Agency, Congregate Meals and Audit programs. The Council is the sponsoring agency for the Foster

Grandparent program. Its fiscal year is January thru December; therefore the figures for this fund reflect revenues and expenses for half of its current fiscal year and half of its past fiscal year.

Revenues & Expenses

Total expenses for the Council increased by \$167,127 this was mainly due to the Council starting the Support Coordination Program in August 2014. The increase in revenues is also due to the start of this program.

J. Analysis of the General Fund Budget

The Council's budget does not reflect amendments in FY-2014, therefore the schedules for the major funds original and amended budgets are the same amounts; see pages 24 to 29 of the Supplementary Financial Information Required by GASB Statement 34.

Overall, the Council's General Fund had a net unfavorable variance of \$46,584. This was due to multiple factors, the main factors are as follows: first, the Council received \$61,738 less than budgeted in Nutrition Service Incentive Funds; second, \$88,857 more of unrestricted donations were received than budgeted; and third, \$102,466 more was transferred out to other funds.

K. Analysis of Capital Asset and Debt Administration

At the end of the year, the Council had \$6,199 in fixed assets net of accumulated depreciation. This amounted to a net decrease of \$15,393 from last year.

Table 4: Capital Assets, Net of Accumulated Depreciation at Year End

	FY-2013	FY-2014
Furniture & Equipment	11,360	5,576
Vehicles	10,232	623
	<u>21,592</u>	<u>6,199</u>

L. Economic Factors and Next Year's Budgets

The Council receives most of its funding from the Governor's Office of Elderly Affairs. Because of this, the source of income for the Council depends on the state's budget. The Council's grants and contracts from federal and state sources have been approved for FY-2015. Some of the Council's local grantors operate on a calendar year; as of today, notification has not been received of funding level for CY-2015. The council will adjust services accordingly once notification is received.

Contacting the Council's Management

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Mary Alice Rountree, the Council's Executive Director, at the Council's main office located at 1700 Buckner Street, Suite 240 Shreveport, LA 71101, by phone at (318) 676-7900, or by email at ccoaa@caddocoa.org.

AUDITED FINANCIAL STATEMENTS

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

November 30, 2014

Board of Directors
Caddo Council on Aging, Inc.
Shreveport, Louisiana

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining funds information of the Caddo Council on Aging, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Caddo Council on Aging, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis and Budgetary Comparison Information* on Pages i-x and 24-29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The information on Pages 30-34 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is also not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2014, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting

control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Heard M^cElroy & Vental, LLC

Shreveport, Louisiana

CADDO COUNCIL ON AGING, INC.

GOVERNMENT WIDE STATEMENT OF NET POSITION

JUNE 30, 2014

	<u>Governmental Activities</u>
<u>Assets:</u>	
Cash	2,077,382
Accounts receivable	1,115
Grants receivable	189,104
Prepaid expenses	55,329
Capital assets, net of accumulated depreciation	<u>6,199</u>
Total assets	2,329,129
<u>Liabilities:</u>	
Accounts payable to various vendors	229,222
Vacation liability	<u>36,451</u>
Total liabilities	<u>265,673</u>
<u>Net position:</u>	
Restricted:	
Nutrition services-meals	133,260
Special revenue funds	1,283,412
Unreserved/undesignated	640,585
Net investment in capital assets	<u>6,199</u>
Total net position	<u>2,063,456</u>

The accompanying notes are an integral part of this statement.

CADD0 COUNCIL ON AGING, INC.

GOVERNMENT WIDE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Direct Expenses</u>	<u>Indirect Expenses</u>
<u>Programs:</u>		
Governmental Activities		
Health, Welfare & Social Services:		
Supportive Services:		
Personal care	25,550	1,933
Other services	5,824	441
Homemaker	75,832	5,736
Information and assistance	117,133	8,860
Outreach	2,515	190
Transportation	60,768	4,597
Legal	11,408	-
Net change in supportive services		
Nutrition Services		
Congregate meals	155,899	11,912
Home delivered meals	1,158,686	91,518
Nutritional incentive program	-	-
Utility assistance	967	-
Disease prevention and health promotion	9,401	377
National family caregiver support		
NFCSCP in-home respite	68,178	5,033
Other services	13,174	973
Net change in national family caregiver support		
Louisiana SenioRx	118,383	10,963
MIPPA	13,887	47
Ombudsman	124,512	9,778
Foster Grandparent Program	306,331	9,493
Senior Center		
Audit	16,300	-
Restricted fund	84,437	-
Veterans Home and Community Based Services	407,156	22,313
Support Coordination	162,429	11,809
Other local	107	-
AAA and administration	<u>379,213</u>	<u>(195,973)</u>
Total governmental activities	<u>3,318,090</u>	<u>-</u>

The accompanying notes are an integral part of this statement.

		Net (Expense) Revenue and Increase (Decrease) in Net Position
	Program Revenues	
Charges for Services	Operating Grants and Contributions	Total Governmental Activities
-	298,034	298,034
-	-	(27,483)
-	-	(6,265)
-	-	(81,568)
-	-	(125,993)
-	-	(2,705)
-	-	(65,365)
-	-	<u>(11,408)</u>
		(22,753)
-	137,138	(30,673)
-	531,163	(719,041)
-	183,261	183,261
-	2,405	1,438
-	9,269	(509)
-	86,635	86,635
-	-	(73,211)
-	-	<u>(14,147)</u>
		(723)
-	129,249	(97)
-	13,934	-
-	121,620	(12,670)
-	309,881	(5,943)
-	5,524	(10,776)
-	313,626	229,189
-	485,542	56,073
-	164,426	(9,812)
-	44	(63)
-	<u>283,602</u>	<u>100,362</u>
-	<u>3,075,353</u>	(242,737)

General revenues:

Grants and contributions not restricted to specific programs	<u>372,743</u>
Increase in net position	130,006
Net position-beginning of year	<u>1,933,450</u>
Net position-ending of year	<u>2,063,456</u>

CADDO COUNCIL ON AGING
BALANCE SHEET - GOVERNMENTAL FUNDS
AT JUNE 30, 2014

	General Fund	Title IIIB Supportive Services	Title III C-2 Home Delivered Meals	Veterans HCBS	Foster Grandparent	Restricted Contributions	Non-Major Funds	Total
<u>Assets:</u>								
Cash	2,020,399	-	-	-	-	56,983	-	2,077,382
Accounts Receivable	702	-	-	-	-	-	413	1,115
Grants Receivable	-	-	-	155,169	14,947	-	18,988	189,104
Due From Other Funds	-	11,651	38,770	35,547	-	1,129,759	149,797	1,365,524
Prepaid Expenses	55,329	-	-	-	-	-	-	55,329
Total Assets	2,076,430	11,651	38,770	190,716	14,947	1,186,742	169,198	3,688,454
<u>Liabilities</u>								
Accounts payable	64,493	11,651	38,770	102,084	416	970	10,838	229,222
Due to Other Funds	1,182,763	-	-	-	13,188	-	169,573	1,365,524
Total Liabilities	1,247,256	11,651	38,770	102,084	13,604	970	180,411	1,594,746
<u>Fund Balance</u>								
Nonspendable:								
Prepaid Expenses	55,329	-	-	-	-	-	-	55,329
Restricted for:								
Nutrition Services - Meals	133,260	-	-	-	-	-	-	133,260
Special Revenue Funds	-	-	-	88,632	1,343	1,185,772	(11,213)	1,264,534
Unassigned	640,585	-	-	-	-	-	-	640,585
Total Fund Balances	829,174	-	-	88,632	1,343	1,185,772	(11,213)	2,093,708
Total Liabilities and Fund Balances	2,076,430	11,651	38,770	190,716	14,947	1,186,742	169,198	3,688,454

Total Fund Balances	2,093,708
Amounts reported for governmental activities in the statement of net position are different because:	
- Vacation Liability is not paid for out of current financial resources and is therefore not reported in the funds.	(36,451)
- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	6,199
Net position of governmental activities	<u>2,063,456</u>

CADDO COUNCIL ON AGING

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2014

	PCOA, General Fund, NSIP, Senior Center	Title III B Supportive Services	Title III C-2 Home Delivered Meals	Veterans	Foster Grandparent	Restricted Contributions	Non-Major Funds	Total
Revenues								
Intergovernmental:								
Governor's Office of Elderly Affairs								
Primary Grants	-	297,944	457,871	-	-	-	558,605	1,314,420
PCOA	100,000	-	-	-	-	-	-	100,000
Nutrition Service Incentive Grant	183,261	-	-	-	-	-	-	183,261
Supplemental Senior Center	3,100	-	-	-	-	-	-	3,100
Senior Center	269,643	-	-	-	-	-	-	269,643
Department of Health & Hospitals	-	-	-	-	-	-	164,426	164,426
Department of Insurance	-	-	-	-	-	-	5,000	5,000
Corporation for National Service	-	-	-	-	309,881	-	-	309,881
FEMA	-	-	4,000	-	-	-	-	4,000
Department of Veterans Affairs	-	-	-	485,542	-	-	-	485,542
Community Development Block Grant	-	-	-	-	-	-	6,996	6,996
Caddo Parish Commission	100,000	-	-	-	-	-	-	100,000
City of Shreveport	-	-	-	-	-	-	9,336	9,336
Public Support - Restricted								
Community Foundation Shreveport/Bossier	-	-	41,559	-	-	-	-	41,559
United Way	-	-	17,495	-	-	-	-	17,495
Public Support - Unrestricted								
Donations Unrestricted	88,956	-	709	-	-	83,892	669	174,226
Participant and Program Income	-	90	5,179	-	-	-	9,167	14,436
Fund Raising Revenues - Restricted	-	-	-	-	-	227,420	-	227,420
Fund Raising Revenues - Unrestricted	5,617	-	-	-	-	-	-	5,617
Interest Income	853	-	-	-	-	2,219	-	3,072
Other Income	-	-	4,350	-	-	2,500	1,816	8,666
Total Revenue	751,430	298,034	531,163	485,542	309,881	316,031	756,015	3,448,096
Expenditures								
Salaries	10,389	132,290	220,812	28,091	69,700	12,489	499,861	973,632
Fringe benefits	2,277	27,473	37,088	6,056	10,740	3,858	94,612	182,104
Travel	41	7,775	37,706	977	1,284	97	32,145	80,025
Operating Services	6,540	19,410	62,995	3,980	12,966	-	56,989	162,880
Operating Supplies	2,231	3,744	26,733	525	3,059	623	8,106	45,021
Other Costs	6,271	6,635	10,924	15,037	24,220	67,370	29,500	159,957
Stipends	-	-	-	-	193,855	-	-	193,855
Utility Assistance	-	-	-	-	-	967	-	967
Cost of Meals	-	-	853,946	-	-	-	94,263	948,209
Client Services	-	123,460	-	374,803	-	-	56,751	555,014
Capital Outlay	2,549	-	-	-	-	-	-	2,549
Total Expenditures	30,298	320,787	1,250,204	429,469	315,824	85,404	872,227	3,304,213
Excess (deficiency) of revenues over expenditures	721,132	(22,753)	(719,041)	56,073	(5,943)	230,627	(116,212)	143,883
Other Financing Sources (Uses)								
Transfers In	-	22,753	719,041	-	8,033	-	106,338	856,165
Transfers Out	(767,716)	-	-	-	-	(80,416)	(8,033)	(856,165)
Total Other financing sources and uses	(767,716)	22,753	719,041	-	8,033	(80,416)	98,305	-
Net Increase (Decrease) in Fund Balances	(46,584)	-	-	56,073	2,090	150,211	(17,907)	143,883
Fund Balances:								
Beginning of Year	875,758	-	-	32,558	(746)	1,035,561	6,694	1,949,825
End of Year	829,174	-	-	88,631	1,344	1,185,772	(11,213)	2,093,708

The accompanying notes are an integral part of this statement

CADDO COUNCIL ON AGING, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Net increase in fund balances-total governmental funds	143,883
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$17,942) differs from capital outlays (\$2,549) in the current period.	(15,393)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Compensated absences	<u>1,516</u>
Increase of net position of governmental activities	<u>130,006</u>

The accompanying notes are an integral part of this statement.

CADDO COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies

a. Purpose of the Council on Aging:

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in Caddo Parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the parish; to provide for a mutual exchange of ideas and information on the parish and state level; to conduct public meetings to make recommendations for needed improvements and additional resources; to promote the welfare of aging people when requested to do so; to coordinate and monitor services of other local agencies serving the aging people of the parish; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA) and other departments of state and local government serving the elderly; and to make recommendations relevant to the planning and delivery of services to the elderly of the parish.

Specific services provided by the Council to the elderly residents of Caddo Parish include providing congregate and home delivered meals, nutritional education, personal care, information and assistance, outreach, material aid, home repairs, homemakers, recreation, legal assistance, disease prevention, health promotion, and transportation.

b. Reporting Entity:

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. However, before the council on aging can begin operations in a specific parish, its application for a charter must receive approval from the Governor's Office of Elderly Affairs pursuant to LA R.S. 46:1602. The functions of each council on aging in Louisiana must comply with the objectives of state laws and are governed by the policies and regulations established by GOEA.

The Caddo Council on Aging is a legally separate, nonprofit, quasi-public corporation. It received its charter and began operations in 1972.

A board of directors, consisting of 17 voluntary members, who serve three-year terms, governs the Council.

Membership in the Council is open at all times, without restriction, to all residents of Caddo Parish who have reached the age of majority and who express an interest in the Council and wish to contribute to or share in its programs. Membership fees are not charged.

Based on the criteria set forth in GASB Statement 14, the Caddo Council on Aging is not a component unit of another primary government nor does it have any component units that are related to it. In addition, based on the criteria set forth in GASB Codification Section 2100, the Council has presented its financial statements as a primary government, because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies (Continued)

independent of other state and local governments. As used in GASB Statement 14, the term fiscally independent means that the Council may, without approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. As previously mentioned, GOEA establishes the policies and regulations that all councils must follow. Included in its policies is a provision that the Council's budget be approved by GOEA. However, this approval process is part of GOEA's general oversight responsibility for the Council and is more ministerial or compliance oriented than substantive.

Accordingly, the Council is viewed as being fiscally independent for purposes of applying the reporting entity criteria of GASB Statement 14.

c. **Presentation of Statements:**

The Council's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

The Council has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds; however, the Council has chosen not to do so because it does not have any business-type activities or enterprise funds. The more significant accounting policies established in GAAP and used by the Council are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Council's overall financial position and results of operations.
- Governmental-Wide Financial statements prepared using full accrual accounting for all of the Council's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

d. **Basic Financial Statements - Government-Wide Statements:**

The Council's basic financial statements include both Government-Wide (GWFS) (reporting the Council as a whole) and fund financial statements (FFS) (reporting the Council's major funds). Both the Government-Wide and Fund Financial Statements categorize primary activities as either governmental or business type. The Council's functions and programs have been classified as governmental activities. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the Government-Wide financial statements do not include any of these activities or funds.

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies (Continued)

The content and certain titles of the GWFS were changed upon the adoption by the Council of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides reporting guidance for deferred outflows of resources and deferred inflows of resources, and adds them, when applicable, as elements of the GWFS, because they are distinct from assets and liabilities. In addition, because these additional elements may affect the residual amount of all of the elements presented in a statement of financial position, GASB 63 renames that measure as net position rather than net assets. The Council had no deferred outflows or inflows of resources at June 30, 2014.

Accordingly, the statement of net position presents information on all of the Council's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.

In the Government-Wide Statement of Net Position, the governmental type activities column is presented on a consolidated basis by column, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position is reported in three parts - investment in capital assets, net of related debt; restricted; and unrestricted. Investment in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. Restricted consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted includes all other net assets that do not meet the definition of "restricted" or "investment in capital assets, net of related debt."

The Council's policy is to use restricted resources first to finance its activities except for nutrition services. When providing nutrition services, revenues earned by the Council under its Nutrition Services Incentive Program contract with GOEA can only be used to pay for the raw food component of each meal that is bought and served to a person eligible to receive a meal under one of the nutrition programs. The Council's management has discretion as to how and when to use the Nutrition Services Incentive Program revenues when paying for nutrition program costs. Quite often unrestricted resources are available for use that must be consumed or they will have to be returned to GOEA. In such cases it is better for management to elect to apply and consume the unrestricted resources before using the restricted resources. As a result, the Council will depart from its usual policy of using restricted resources first.

The GWFS reports both the gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues like intergovernmental revenues, and unrestricted investment income, particularly if the function or program has a net cost. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation, and then reduces the expenses by related program revenues, such as operating and capital grants and contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants. The Council did not receive any capital-specific grants this year.

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies (Continued)

The Council allocates its indirect costs among various functions and programs in accordance with Circular A-87. The Statement of Activities shows this allocation in a separate column labeled "indirect cost allocation." In addition, GOEA provides grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA funds are allocated to the Council's other functions and programs.

The Government-Wide Statements focus upon the Council's ability to sustain operations and the change in its net position resulting from the current year's activities.

e. **Basic Financial Statements - Fund Financial Statements:**

The financial transactions of the Council are reported in individual funds in the Fund Financial Statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type.

The following is a description of the governmental funds of the Council:

- **The General Fund** is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. It is a major fund on the Council's financial statements, and consists of the following types of programs:

Local

Local funds are received from various local sources. During the fiscal year, Caddo Parish provided \$100,000. All funds are provided to help the Council finance its operations and all proceeds from these funds can be used by the Council at its discretion.

The Council's program participants also generate revenues through certain fundraising activities that are not sponsored by any particular grant award. Revenues and expenses relating to these activities are accounted for as part of the Special Revenue Fund's local program. Local funds may be used as transfers to Special Revenue Funds to supplement those programs.

PCOA (Act 735)

PCOA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council on Aging. The Council may use these "Act 735" funds at its discretion.

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies (Continued)

Senior Center

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to GOFA, which in turn "passes through" the funds to the Council. The purpose of this program is to provide a community service center at which elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The senior center for Caddo Parish is located in Shreveport. Senior Center Funds can be used at management's discretion to support any of the Council's programs that benefit the elderly. Accordingly, during the fiscal year, the Senior Center Fund transferred most of its grant revenue to the Title III C-2 Fund to subsidize program costs of home-delivered meals.

The Nutritional Services Incentive Program Fund (formerly the U.S.D.A. Fund) is used to account for the administration of the Food Distribution Program funds provided by the United States Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This program reimburses the service provider for congregate and home-delivered meals served to eligible participants so that United States food and commodities may be purchased to supplement these programs.

- **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services - Administration on Aging to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

The Council has established several special revenue funds. The following is a brief description of each special revenue fund's purpose:

Major Special Revenue Funds

The Title IIIB Supportive Services Funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This program is used to provide the elderly various types of social services, including information and assistance, outreach and referral, Homemaker, telephoning, and utility assistance.

The Title III C-2 Home Delivered Meals Fund is used to account for funds that are used to provide nutritional meals to homebound older persons. Using Title III C-2 funds the Council served meals during the year to people eligible to participate in this program.

The Veterans HCBS Fund is used to account for funds that provide veterans the opportunity to hire their own personal care aides to assist them with daily living activities. The Council contracts with Overton Brooks VA Medical Center to provide this service.

The Foster Grandparents Fund (FGP) accounts for the administration of grants to a) provide part-time volunteer service opportunities for low-income people age 60 and over and, b) give supportive person-to-person service in health, education, welfare and related settings to help alleviate the physical, mental and emotional problems of infants, children or youth having special or exceptional needs.

1. **Purpose of the Council on Aging and Summary of Significant Accounting Policies** (Continued)

The Restricted Contributions Fund is used to account for funds restricted by the donor for specific uses. Such restrictions generally relate to the provision of nutrition services to seniors.

Nonmajor Special Revenue Funds

The Title IIIB Ombudsman Funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This program provides a liaison between the resident, the family and the nursing home. The objective of the program is to protect the resident's rights.

The Title III C Area Agency Administration Fund is used to account for the administration of Special Programs for the Aging. Title III C administrative funds are provided by the United States Department of Health and Human Services through GOEA. These funds are used to pay for administrative costs associated with the Title III and Senior Center programs.

The Title III C-1 Fund is used to account for funds that are used to provide nutritional, congregate meals to the elderly at meal sites located in Shreveport and surrounding areas. Using Title C-1 Funds, the Council provides meals to people eligible to participate in that program.

The Title III D Fund is used to account for funds used for disease prevention and health promotion activities.

The Title III-E Caregiver Funds are provided by the U. S. Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program provides in-home services and community services for the elderly.

SenioRx/Aging and Disability Resource Center (ADRC) Fund is provided for support services for access to prescription assistance and to promote public awareness of both public and private long-term support options for seniors and adults with disabilities. The program service area covers nine parishes. The program is administered by Louisiana Governor's Office of Elderly Affairs.

The Audit Fund is used to account for funds received from the Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements. The cost allocated to this fund is equal to the GOEA supplement. Excess audit costs are covered by transfers from the discretionary PCOA fund.

Local and Miscellaneous (Designated) Funds include funds used to provide a variety of services for program participants.

f. **Measurement Focus and Basis of Accounting:**

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies (Continued)

1. Accrual Basis - Government-Wide Financial Statements (GWFS):

The Statement of Net Position and the Statement of Activities display information about the Council as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

2. Modified Accrual Basis - Fund Financial Statements (FFS):

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

g. Interfund Activity:

Interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers represent a permanent reallocation of resources between funds. Transfers between funds are netted against one another as part of the reconciliation of the change in fund balances in the fund financial statements to the change in net position in the Government-Wide Financial Statements.

h. Cash and Cash Equivalents:

Cash includes amounts in demand deposits, interest-bearing demand deposits, and petty cash. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Cash and cash equivalents are reported at their carrying amounts that equal their fair values.

i. Investments:

GASB Statement 31 requires the Council to report its investments at fair value, except for investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost-based measure, provided that the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors.

Investments that include securities traded on a national or international exchange are valued based on their last reported sales price. Investments that do not have an established market are reported at estimated fair value.

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies (Continued)

j. Prepaid Expenses/Expenditures:

Prepaid expenses include amounts paid for services in advance. These are shown as assets on the Government-Wide Statement of Net Position.

In the Fund Financial Statements, the Council has elected not to include amounts paid for future services as expenditures until those services are consumed to comply with the cost reimbursement terms of grant agreements. As a result, the prepaid expenditures are shown as an asset on the balance sheet of the Fund Financial Statements until they are consumed. In addition, a corresponding amount of the fund balance of the General Fund has been reserved to reflect the amount of fund balance not currently available for expenditure.

k. Capital Assets:

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least \$1,000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Position. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

For capital assets recorded in the Government-Wide Financial Statements, depreciation is computed and recorded using the straight-line method for the asset's estimated useful life. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Equipment	5 years
Vehicles	5 years
Computers	3 years

Salvage values have not been estimated by management when calculating how much of an asset's cost needs to be depreciated except for vehicles.

Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

l. Unpaid Compensated Absences:

The Council's policies for vacation time permit employees to accumulate earned but unused vacation leave. Accordingly, a liability for the unpaid vacation leave has been recorded in the Government-Wide Statements. The amount accrued as the compensated absence liability was determined using the number of vested vacation hours for each employee multiplied by the employee's wage rate in effect at the end of the year.

In contrast, the governmental funds in the Fund Financial Statements report only compensated absence liabilities that are payable from expendable available financial resources to the extent that the liabilities mature (or come due for payment). Vacation leave does not come due for payment until an employee makes a request to use it or terminates employment with the Council. Accordingly, no amounts have been accrued as fund liabilities as of year-end in the Fund Financial

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies (Continued)

Statements. The differences in the methods of accruing compensated absences creates a reconciling item between the fund and government-wide financial statement presentations.

The Council's sick leave policy does not provide for the vesting of sick leave thereby requiring the employee to be paid for any unused leave upon termination of employment. Accordingly, no amounts have been accrued as unpaid compensated absences in the Government-Wide Financial Statements relative to sick leave.

m. Allocation of Indirect Expenses:

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct expenses of the Administration function. GOEA provides funds to partially subsidize the Council's Administration function. The unsubsidized net cost of the Administration function is allocated using a formula that is based primarily on the relationship the direct cost program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

n. Management's Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

o. Eliminations and Reclassifications:

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

p. Deferred Revenues:

The Council reports deferred revenues on its Statements of Net Position and on the balance sheet of the Fund Financial Statements. Deferred revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

q. Fund Equity – Fund Financial Statements:

Governmental fund equity is classified as fund balance. The Council has implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies (Continued)

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.
- Restricted: This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year end.
- Assigned: This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the Council's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes.
- Unassigned: This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Council would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

r. **Budget Policy:**

The Council follows these procedures in establishing the budgetary data reflected in these financial statements.

- ◀ The Governor's Office of Elderly Affairs (GOEA) and other funding agencies notify the Council each year as to the funding levels for each program's grant award.
- ◀ The Executive Director prepares a proposed budget based on the funding levels provided by GOEA and then submits the budget to the Board of Directors for approval.

1. **Purpose of the Council on Aging and Summary of Significant Accounting Policies** (Continued)

- ◀ The Board of Directors reviews and adopts the budget before June 30 of the current year for the next year.
- ◀ The adopted budget is forwarded to the Governor's Office of Elderly Affairs or other appropriate funding agency for final approval.
- ◀ Most budgetary appropriations lapse at the end of each fiscal year (June 30).
- ◀ The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- ◀ Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.
- ◀ Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- ◀ The Council may transfer funds between line items as often as required but must obtain prior approval from the respective funding agency for funds received under grants from each agency.

2. **Revenue Recognition-Intergovernmental Grants, Public Support, and Miscellaneous Revenues**

Intergovernmental Grants

Intergovernmental grant revenues are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). Senior Center, State Allocation (Act 735), Titles III B, C-1, C-2, Ombudsman, and Foster Grandparent's Program funds are received as a monthly allocation of the total grant in advance of the actual expenditures, but are not susceptible to accrual as revenue until the actual expenditures are made. Audit funds are also recognized as revenue once the related cost has been incurred, and the grant reimbursement is measurable and available.

Public Support and Miscellaneous Revenues

The Council encourages and receives contributions from clients to help offset the costs of various programs. During the year, Caddo Parish and the United Way provided funds to the Council. In addition, various fund raisers are held during the year to obtain funds to offset costs of general operations and senior center activities. The timing and amounts of the receipts of public support and miscellaneous revenues are sometimes difficult to predict, but are recorded as revenue when the related ordinance is passed, or the pledge is made.

3. **Cash in Bank**

At June 30, 2014, the carrying amount of the Council's deposits was as follows:

Community Foundation of Shreveport-Bossier	56,983
Petty cash	75
Payroll-checking	2,061
Operating-checking	1,781,207
Local funds-BFCU	<u>246,627</u>
Cash on deposit in banks	<u>2,086,953</u>

3. Cash in Bank (Continued)

All cash deposits are protected by federal deposit insurance and/or a pledge of qualified U.S. government (or its agencies) securities.

Interest bearing accounts consist of those in Barksdale Federal Credit Union.

4. Grants Receivable

Grants receivable at June 30, 2014 consisted of the following:

<u>Program</u>	<u>Fund</u>	<u>Amount</u>
Department of Health and Hospitals	Special Revenue	16,185
GOEA	Special Revenue	2,201
Corporation for National Service	Special Revenue	14,947
Veterans Affairs	Special Revenue	155,169
Other	Special Revenue	602
		<u>189,104</u>

5. In-Kind Contributions

In addition to in-kind revenues presented in this report, the Council received \$72,319 in various in-kind contributions during the year which have been valued at their estimated fair market value.

In-kind contributions consisted of the following:

<u>Fund</u>	
Title III C-1: Congregate Meals volunteer services	3,600
Title III C-2: Home Delivered Meals volunteer services	<u>68,719</u>
Total	<u>72,319</u>

6. Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for out-of-town travel expenses incurred in accordance with the Council's regular personnel policy.

7. Lease Commitments

The Council leases space for its main office at 1700 Buckner Square, Shreveport, Louisiana. The terms of this lease require monthly payments of \$7,162 through July 2015. This lease contains provisions that allow the commitment to be broken due to lack of funding. Total rent expense for the year ended June 30, 2014 amounted to \$86,211.

Future minimum lease payments for the next five years ending June 30, and in the aggregate, are as follows:

2015	85,946
2016	7,162
Thereafter	-
	<u>93,108</u>

8. **Income Tax Status**

As a nonprofit, privately supported organization, Caddo Council on Aging is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code, but must file an annual return with the Internal Revenue Service that contains information on its financial operations. The Council is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax-exempt entity. It must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax-exempt entity, the Council must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Council does not expect any of these tax positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Council's accounting records.

Caddo Council on Aging is required to file U. S. federal Form 990 for informational purposes. Its federal income tax returns for the tax fiscal years 2011 and beyond remain subject to examination by the Internal Revenue Service.

9. **Judgments, Claims, and Similar Contingencies**

There is no significant litigation pending against the Council at June 30, 2014. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance.

The Council receives revenues from various federal and state grant programs which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and the Council. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

10. **Federally Assisted Programs**

The Council participates in a number of federally assisted programs. These programs are audited in accordance with the Single Audit Act, as amended in 1996. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the Council's management believes that further examinations would not result in any significant disallowed costs.

In accordance with the Single Audit Act, as amended in 1996, and the Office of Management and Budget Circular A-133 (revised), a schedule of expenditures of federal awards is presented in the supplementary financial information portion of this report.

11. **Economic Dependency**

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

12. Interfund Transfers

Operating transfers in and out are listed by fund for the fiscal year:

Funds Transferred In	Funds Transferred Out							Total In
	PCOA	Nutritional Service	Senior Center	Supple- mental Senior Center	FGP Special	Local	Restricted Contributions	
Area Agency								
Administration	50,890	-	-	-	-	-	-	50,890
Supportive Services	-	-	-	-	-	22,753	-	22,753
Congregate Meals	-	30,673	-	-	-	-	-	30,673
Home-Delivered Meals	38,334	253,860	269,643	3,100	-	73,784	80,320	719,041
Preventive Health	-	-	-	-	-	509	-	509
Ombudsman	-	-	-	-	-	12,671	-	12,671
FGP	-	-	-	-	8,033	-	-	8,033
Audit	10,776	-	-	-	-	-	-	10,776
Caregiver	-	-	-	-	-	723	-	723
SenioRx	-	-	-	-	-	-	96	96
Total Out	<u>100,000</u>	<u>284,533</u>	<u>269,643</u>	<u>3,100</u>	<u>8,033</u>	<u>110,440</u>	<u>80,416</u>	<u>856,165</u>

13. Interfund Loans

Because the Council operates most of its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans. A summary of these interfund loans at June 30, 2014, follows:

	Due From Other Funds	Due To Other Funds
General Fund	-	1,316,022
Special Revenue Fund:		
AAA Administration	524	-
Supportive Service	11,651	-
Congregate Meals	4,601	-
Home Delivered Meals	38,770	-
Ombudsman	-	887
Caregiver	1,693	-
SenioRx	1,710	-
Community Living Program	-	2,201
Nutritional Service Incentive Program	133,260	-
Audit	700	-
Veterans HCBS	35,547	-
Support Coordination	-	33,226
CNCS/FGP	-	13,188
Senior Center Special	2,883	-
FGP-SP	3,821	-
Restricted Gifts	1,129,759	-
Indirect	605	-
Total Special Revenue funds	<u>1,365,524</u>	<u>1,365,524</u>

14. Changes in Capital Assets

A summary of changes in capital assets is as follows:

	Balance <u>6-30-13</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6-30-14</u>
General fixed assets, at cost:				
Furniture and equipment	60,228	2,549	1,037	61,740
Vehicles	<u>147,316</u>	<u>-</u>	<u>-</u>	<u>147,316</u>
	207,544	2,549	1,037	209,056
Accumulated depreciation:				
Furniture and equipment	53,166	4,035	1,037	56,164
Vehicles	<u>132,786</u>	<u>13,907</u>	<u>-</u>	<u>146,693</u>
	<u>185,952</u>	<u>17,942</u>	<u>1,037</u>	<u>202,857</u>
Net capital assets	<u>21,592</u>	<u>(15,393)</u>	<u>-</u>	<u>6,199</u>

15. Changes in Long-Term Debt

The following is a summary of transactions relating to the Council's long-term debt during the year.

	Balance <u>6-30-13</u>	<u>Decrease</u>	Balance <u>6-30-14</u>
Accrued compensated absences	<u>37,976</u>	<u>(1,524)</u>	<u>36,452</u>

16. Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage. The Council's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss as a result of business interruption and certain acts of God.

REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION

CADDO COUNCIL ON AGING
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs				
PCOA	100,000	100,000	100,000	-
Nutrition Service Incentive Grant	244,999	244,999	183,261	(61,738)
Supplemental Senior Center	-	-	3,100	3,100
Senior Center	261,830	261,830	269,643	7,813
Caddo Parish Commission	87,500	87,500	100,000	12,500
Donations Unrestricted	99	99	88,956	88,857
Fund Raising Revenues - Unrestricted	-	-	5,617	5,617
Interest Income	1,440	1,440	853	(587)
Total Revenue	695,868	695,868	751,430	55,562
<u>Expenditures</u>				
Salaries	17,414	17,414	10,389	7,025
Fringe benefits	4,304	4,304	2,277	2,027
Travel	650	650	41	609
Operating Services	4,179	4,179	6,540	(2,361)
Operating Supplies	1,389	1,389	2,231	(842)
Other Costs	682	682	6,271	(5,589)
Capital Outlay	2,000	2,000	2,549	(549)
Total Expenditures	30,618	30,618	30,298	320
<u>Excess of revenues over expenditures</u>	665,250	665,250	721,132	55,882
<u>Other Financing Sources (Uses)</u>				
Transfers In	-	-	-	-
Transfers Out	(665,250)	(665,250)	(767,716)	(102,466)
<u>Total Other financing sources and uses</u>	(665,250)	(665,250)	(767,716)	(102,466)
<u>Net Increase (Decrease) in Fund Balances</u>	-	-	(46,584)	(46,584)
<u>Fund Balances:</u>				
Beginning of Year	875,758	875,758	875,758	-
Ending of Year	875,758	875,758	829,174	(46,584)

CADDO COUNCIL ON AGING

BUDGETARY COMPARISON SCHEDULE - TITLE IIIB SUPPORTIVE SERVICES

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	
<u>Revenues</u>				
Intergovernmental:				
Primary Grants	297,944	297,944	297,944	-
Participant and Program Income	20	20	90	70
Total Revenue	297,964	297,964	298,034	70
<u>Expenditures</u>				
Salaries	120,353	120,353	132,290	(11,937)
Fringe benefits	23,630	23,630	27,473	(3,843)
Travel	7,244	7,244	7,775	(531)
Operating Services	19,030	19,030	19,410	(380)
Operating Supplies	2,075	2,075	3,744	(1,669)
Other Costs	6,612	6,612	6,635	(23)
Client Services	142,743	142,743	123,460	19,283
Total Expenditures	321,687	321,687	320,787	900
<u>Excess (deficiency) of revenues over expenditures</u>	(23,723)	(23,723)	(22,753)	970
<u>Other Financing Sources (Uses)</u>				
Transfers In	23,723	23,723	22,753	(970)
Transfers Out	-	-	-	-
<u>Total Other financing sources and uses</u>	23,723	23,723	22,753	(970)
<u>Net Increase (Decrease) in Fund Balances</u>	-	-	-	-
<u>Fund Balances:</u>				
Beginning of Year	-	-	-	-
Ending of Year	-	-	-	-

CADDO COUNCIL ON AGING

BUDGETARY COMPARISON SCHEDULE-TITLE III C-2 HOME DELIVERED MEALS

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	
<u>Revenues</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs				
Primary Grants	457,871	457,871	457,871	-
FEMA	-	-	4,000	4,000
Community Foundation Shreveport/Bossier	-	-	41,559	41,559
United Way	15,000	15,000	17,495	2,495
Donations Unrestricted	24,485	24,485	709	(23,776)
Participant and Program Income	12,329	12,329	5,179	(7,150)
Other Income	-	-	4,350	4,350
Total Revenue	509,685	509,685	531,163	21,478
<u>Expenditures</u>				
Salaries	230,793	230,793	220,812	9,981
Fringe benefits	37,822	37,822	37,088	734
Travel	45,954	45,954	37,706	8,248
Operating Services	58,183	58,183	62,995	(4,812)
Operating Supplies	23,220	23,220	26,733	(3,513)
Other Costs	8,094	8,094	10,924	(2,830)
Cost of Meals	851,692	851,692	853,946	(2,254)
Total Expenditures	1,255,758	1,255,758	1,250,204	5,554
<u>Excess (deficiency) of revenues over expenditures</u>	(746,073)	(746,073)	(719,041)	27,032
<u>Other Financing Sources (Uses)</u>				
Transfers In	746,073	746,073	719,041	(27,032)
Transfers Out	-	-	-	-
Total Other financing sources and uses	746,073	746,073	719,041	(27,032)
<u>Net Increase in Fund Balances</u>	-	-	-	-
<u>Fund Balances:</u>				
Beginning of Year	-	-	-	-
End of Year	-	-	-	-

CADDO COUNCIL ON AGING

BUDGETARY COMPARISON SCHEDULE - VETERANS HOME & COMMUNITY BASED SERVICES

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues</u>				
Intergovernmental:				
Department of Veterans Affairs	330,753	330,753	485,542	154,789
Total Revenue	330,753	330,753	485,542	154,789
<u>Expenditures</u>				
Salaries	22,294	22,294	28,091	(5,797)
Fringe benefits	5,618	5,618	6,056	(438)
Travel	1,132	1,132	977	155
Operating Services	4,460	4,460	3,980	480
Operating Supplies	543	543	525	18
Other Costs	11,621	11,621	15,037	(3,416)
Client Services	285,085	285,085	374,803	(89,718)
In-Kind	-	-	-	-
Total Expenditures	330,753	330,753	429,469	(98,716)
<u>Excess of revenues over expenditures</u>	-	-	56,073	56,073
<u>Other Financing Sources (Uses)</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<u>Total Other financing sources and uses</u>	-	-	-	-
<u>Net Increase in Fund Balances</u>	-	-	56,073	56,073
<u>Fund Balances:</u>				
Beginning of Year	32,558	32,558	32,558	-
Ending of Year	32,558	32,558	88,631	56,073

CADDO COUNCIL ON AGING
BUDGETARY COMPARISON SCHEDULE-FOSTER GRANDPARENTS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	
<u>Revenues</u>				
Intergovernmental:				
Corporation for National Service	315,643	315,643	309,881	(5,762)
Total Revenue	315,643	315,643	309,881	(5,762)
<u>Expenditures</u>				
Salaries	79,212	79,212	69,700	9,512
Fringe benefits	12,048	12,048	10,740	1,308
Travel	2,846	2,846	1,284	1,562
Operating Services	13,043	13,043	12,966	77
Operating Supplies	1,759	1,759	3,059	(1,300)
Other Costs	19,727	19,727	24,220	(4,493)
Stipends	189,513	189,513	193,855	(4,342)
Total Expenditures	318,148	318,148	315,824	2,324
<u>Excess (deficiency) of revenues over expenditures</u>	(2,505)	(2,505)	(5,943)	(3,438)
<u>Other Financing Sources (Uses)</u>				
Transfers In	2,505	2,505	8,033	5,528
Transfers Out	-	-	-	-
<u>Total Other financing sources and uses</u>	2,505	2,505	8,033	5,528
<u>Net Increase in Fund Balances</u>	-	-	2,090	2,090
<u>Fund Balances:</u>				
Beginning of Year	(746)	(746)	(746)	-
Ending of Year	(746)	(746)	1,344	2,090

CADDO COUNCIL ON AGING
BUDGETARY COMPARISON SCHEDULE - RESTRICTED CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues</u>				
Intergovernmental:				
Donations Unrestricted	29,029	29,029	83,892	54,863
Fund Raising Revenues- Restricted	280,000	280,000	227,420	(52,580)
Fund Raising Revenues - Unrestricted				
Interest Income	-	-	2,219	2,219
Other Income	-	-	2,500	2,500
Total Revenue	309,029	309,029	316,031	7,002
<u>Expenditures</u>				
Salaries	15,202	15,202	12,489	2,713
Fringe benefits	4,438	4,438	3,858	580
Travel	-	-	97	(97)
Operating Services	175	175	-	175
Operating Supplies	-	-	623	(623)
Other Costs	30,000	30,000	67,370	(37,370)
Utility Assistance	-	-	967	(967)
Total Expenditures	49,815	49,815	85,404	(35,589)
<u>Excess of revenues over expenditures</u>	259,214	259,214	230,627	(28,587)
<u>Other Financing Sources (Uses)</u>				
Transfers In	-	-	-	-
Transfers Out	(259,214)	(259,214)	(80,416)	178,798
<u>Total Other financing sources and uses</u>	(259,214)	(259,214)	(80,416)	178,798
<u>Net Increase in Fund Balances</u>	-	-	150,211	150,211
<u>Fund Balances:</u>				
Beginning of Year	1,035,561	1,035,561	1,035,561	-
Ending of Year	1,035,561	1,035,561	1,185,772	150,211

SUPPLEMENTARY FINANCIAL INFORMATION

CADD O COUNCIL ON AGING

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NON MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	Title III C-1 AAA	Title III C-1 Congregate Meals	Title IIIB Ombudsman	Title III-D Preventive Health	Title III-E Caregiver	SenioRx	MIPPA	Audit	Support Coordination	Other Local Program	Total
Revenues											
Intergovernmental:											
Governor's Office of Elderly Affairs											
Primary Grants	88,176	117,134	114,624	9,269	86,320	123,624	13,934	5,524	-	-	558,605
Department of Health & Hospitals	-	-	-	-	-	-	-	-	164,426	-	164,426
Department of Insurance	-	-	-	-	-	5,000	-	-	-	-	5,000
Community Development Block Grant	-	-	6,996	-	-	-	-	-	-	-	6,996
City of Shreveport	-	9,336	-	-	-	-	-	-	-	-	9,336
Donations Unrestricted	-	-	-	-	15	625	-	-	-	29	669
Participant and Program Income	-	8,867	-	-	300	-	-	-	-	-	9,167
Other Income	-	1,801	-	-	-	-	-	-	-	15	1,816
Total Revenue	88,176	137,138	121,620	9,269	86,635	129,249	13,934	5,524	164,426	44	756,015
Expenditures											
Salaries	100,936	50,686	96,910	1,304	30,756	88,049	12,463	-	118,757	-	499,861
Fringe benefits	25,026	10,143	15,715	330	7,115	16,336	1,466	-	18,481	-	94,612
Travel	902	1,922	12,001	4	256	1,599	-	-	15,461	-	32,145
Operating Services	9,619	8,269	7,948	125	3,095	17,565	3	-	10,365	-	56,989
Operating Supplies	726	935	1,189	7	630	1,042	-	-	3,577	-	8,106
Other Costs	1,856	1,593	527	8	2,090	4,755	2	16,300	2,262	107	29,500
Cost of Meals	-	94,263	-	-	-	-	-	-	-	-	94,263
Client Services	-	-	-	8,000	43,416	-	-	-	5,335	-	56,751
Total Expenditures	139,065	167,811	134,290	9,778	87,358	129,346	13,934	16,300	174,238	107	872,227
Excess (deficiency) of revenues over expenditures	(50,889)	(30,673)	(12,670)	(509)	(723)	(97)	-	(10,776)	(9,812)	(63)	(116,212)
Other Financing Sources (Uses)											
Transfers In	50,889	30,673	12,670	509	723	97	-	10,776	-	1	106,338
Transfers Out	-	-	-	-	-	-	-	-	-	(8,033)	(8,033)
Total Other financing sources and uses	50,889	30,673	12,670	509	723	97	-	10,776	-	(8,032)	98,305
Net Increase (Decrease) in Fund Balances	-	-	-	-	-	-	-	-	(9,812)	(8,095)	(17,907)
Fund Balances:											
Beginning of Year	-	-	-	-	-	-	-	-	(8,105)	14,799	6,694
Ending of Year	-	-	-	-	-	-	-	-	(17,917)	6,704	(11,213)

CADD0 COUNCIL ON AGING, INC.

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND

CHANGES IN GENERAL FIXED ASSETS

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Balance</u> <u>6-30-13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6-30-14</u>
General fixed assets, at cost:				
Vehicles	147,316	-	-	147,316
Furniture and equipment	<u>60,228</u>	<u>2,549</u>	<u>1,037</u>	<u>61,740</u>
Total general fixed assets	<u>207,544</u>	<u>2,549</u>	<u>1,037</u>	<u>209,056</u>
Investment in general fixed assets:				
Property acquired with funds from:				
Ombudsman	1,484	-	-	1,484
Local funds (unreserved)	36,446	2,549	-	38,995
Legislative (PCOA)	19,321	-	-	19,321
Community Living Program	4,464	-	-	4,464
Community Living Program-CCAD	2,616	-	-	2,616
MOWAA	10,815	-	-	10,815
Grayson Foundation	5,620	-	-	5,620
FGP Special	2,845	-	-	2,845
SenioRx	5,744	-	1,037	4,707
D. Thomason Grant	15,000	-	-	15,000
Community Foundation	44,345	-	-	44,345
Franks Foundation	6,000	-	-	6,000
Chesapeake Energy	10,000	-	-	10,000
Twin Cities	2,000	-	-	2,000
MIPPA	2,110	-	-	2,110
Donated assets	<u>38,734</u>	<u>-</u>	<u>-</u>	<u>38,734</u>
Total inventory listing	<u>207,544</u>	<u>2,549</u>	<u>1,037</u>	<u>209,056</u>

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2014

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>Department of Health and Human Services</u>				
Passed through the Louisiana Governor's Office of Elderly Affairs:				
Special Programs for the Aging:				
Title IIIB-Ombudsman	93.042	27,091	27,091	27,091
Title IIIB-Ombudsman	93.044	65,805	65,805	65,805
Title IIIB-Supportive Services	93.044	175,157	<u>175,157</u>	<u>175,157</u>
			240,962	240,962
Title III C-1-Area Agency Administration	93.045	66,132	66,132	66,132
Title III C-1-Congregate Meals	93.045	110,627	110,627	110,627
Title III C-2-Home Delivered Meals	93.045	221,315	<u>221,315</u>	<u>221,315</u>
			398,074	398,074
Title III E-Caregiver	93.052	64,740	64,740	64,740
Title III D-Health Facilitation	93.043	9,269	9,269	9,269
Nutritional Services Incentive Program (2012 and 2013)-Note 2	93.053	422,237	-	234,552
Nutritional Services Incentive Program (2014)-Note 2	93.053	183,261	<u>183,261</u>	<u>50,001</u>
			183,261	284,553
Medicare Improvements for Patients and Providers Act 2010	93.071	13,934	<u>13,934</u>	<u>13,934</u>
Total aging cluster			937,331	1,038,623
<u>Corporation for National and Community Service</u>				
Direct program:				
Foster Grandparents Program (FGP)	94.011	309,881	309,881	309,881
<u>Department of Veterans Affairs</u>				
Direct Program:				
VHA Home Care	64.044	488,542	488,542	488,542

The accompanying notes are an integral part of this schedule.

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2014

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>Department of Housing and Urban Development</u>				
Passed through the City of Bossier:				
Community Development Block Grant	14.218	6,996	6,996	6,996
<u>Department of Homeland Security</u>				
Direct program:				
Emergency Food and Shelter National Board Program	97.024	4,000	<u>4,000</u>	<u>4,000</u>
Total Federal Awards			<u>1,746,750</u>	<u>1,848,042</u>

The accompanying notes are an integral part of this schedule.

CADDO COUNCIL ON AGING, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2014

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Caddo Council on Aging, Inc. and is presented on the accrual basis of accounting, which is the same basis of accounting used for the presentation of the general purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*.

Caddo Council on Aging, Inc. did not pass through any of its federal awards to a subrecipient during the fiscal year, nor did it expend any federal awards in the form of noncash assistance.

2. Nutritional Services Incentive Program

Revenues and expenditures under this program are summarized as follows:

a. Fiscal Year 2013:

Expenditures of \$234,532 were from \$234,532 of unspent funds carried over from the fiscal year 2012 and 2013 awards.

b. Fiscal Year 2014:

Revenues recognized in fiscal year 2014 amounted to \$183,261. Of this amount, \$50,001 was expended; the remainder of \$133,260 is carried over to fiscal year 2015.

OTHER REPORTS

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

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SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

November 30, 2014

Board of Directors
Caddo Council on Aging, Inc.
Shreveport, Louisiana

Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Caddo Council on Aging, Inc. as of and for the year ended June 30 2014, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated November 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion of the effectiveness of the Council's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

HMV

A PROFESSIONAL SERVICES FIRM

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heard, McElroy & Vostal, LLC

Shreveport, Louisiana

HEARD, McELROY, & VESTAL

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318-429-1525 PHONE • 318-429-2070 FAX

November 30, 2014

Board of Directors
Caddo Council on Aging, Inc.
Shreveport, Louisiana

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Report on Compliance for Each Major Federal Program

We have audited Caddo Council on Aging, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Caddo Council on Aging, Inc.'s major federal programs for the year ended June 30, 2014. Caddo Council on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Caddo Council on Aging, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Caddo Council on Aging, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Caddo Council on Aging, Inc.'s compliance.

HMV

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Opinion on Each Major Federal Program

In our opinion, Caddo Council on Aging, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Caddo Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Caddo Council on Aging, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Caddo Council on Aging Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Shreveport, Louisiana

Heard, McElroy & Vestal, LLC

CADDO COUNCIL ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Caddo Council on Aging, Inc.
2. No material weaknesses relating to the audit of the basic financial statements are reported.
3. No instances of noncompliance material to the basic financial statements of Caddo Council on Aging, Inc. were disclosed during the audit.
4. No material weaknesses relating to the audit of major federal award programs are reported.
5. The auditor's report on compliance for the major federal award programs for Caddo Council on Aging, Inc. expresses an unmodified opinion.
6. There are no audit findings relative to the major federal award programs for Caddo Council on Aging, Inc.
7. The programs tested as major programs included:

<u>Program</u>	<u>CFDA No.</u>
Title IIIB-Ombudsman	93.042
Title IIIB-Ombudsman	93.044
Title IIIB-Supportive Services	93.044
Title III C-1 Area Agency Administration	93.045
Title III C-1 Congregate Meals	93.045
Title III C-2 Home Delivered Meals	93.045
Title III E-Caregiver	93.052
Title III D-Health Facilitation	93.043
Nutritional Services Incentive Program	93.053
VHA Home Care	64.044

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Caddo Council on Aging, Inc. was determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs

None

CADDO COUNCIL ON AGING, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

There were no findings and questioned costs from the prior year.